

**ADDENDUM
for a
PUBLIC FACILITY
Idaho Community Development
Block Grant
by
LATAH COUNTY, IDAHO**



**on behalf of
ONAWAY WATER and SEWER ASSOCIATION
SEWER SYSTEM IMPROVEMENTS**

Tom Stroschein, Chairman

March 6, 2009

**walter m. steed
& associates
PROJECT ADMINISTRATION**

**1345 Ridgeview Drive
Moscow, Idaho 83843
(208) 883-0123**

March 6, 2009

Donald A. Dietrich, Director
Idaho Department of Commerce
700 West State Street
Boise, ID 83720

Dear Mr. Dietrich:

Latah County is pleased to submit this Addendum to our CDBG Application of November 2008 on behalf of the Onaway Water and Sewer Association.

The application for a \$400,000 Idaho Community Development Block Grant to supplement Onaway's \$600,000 local match will allow the replacement of a major portion of a sewer collection system, which was originally installed in 1971. While having been maintained, it has exceeded its useful life. Due to inflow and infiltration, rainfall events cause the system to experience up to 1800% increases in flow. This enormous inflow prevents proper treatment from taking place at the regional treatment lagoon, which then negatively impacts the Palouse River.

Onaway's sewage is processed by the City of Potlatch and their Agreement requires Onaway to maintain its system in order to not negatively impact the treatment plant. The project will replace over one (1) mile of 8" sewer main and 20 manholes in order to eliminate the inordinate inflow and infiltration.

The Association serves 100 users, who will have their sewer rates increase by over \$40.00 per month to pay for the \$600,000 USDA-RD loan to be used as match for this CDBG application. This work is a requirement of their treatment contract with Potlatch and the 56.15% LMI persons in Onaway need \$400,000 in CDBG funds in order to continue to have a viable wastewater collection system for their community. Thank you for your consideration.

Yours truly,

Tom Strochein, Chairman
Latah County Commissioners

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IV. ICDBG Application Information FormApplicant: Latah CountyAddress: PO Box 8068, Moscow ID 83843Chief Elected Official: Tom Strocchein, ChairmanPhone: (208) 883-2275SubGrantee: Onaway Water & Sewer AssociationAddress: 410 4th Street, Onaway ID 83855Chairman: Lester D. OwensPhone: (208) 875-1467Application Prepared By: Walter M. Steed & AssociatesPhone: (208) 883-0123Address: 1345 Ridgeview Drive, Moscow, Idaho 83843Architect/Engineer/Planner: Chris Mansfield, P.E., Taylor Engineering, Inc. Phone: (509) 328-3371Address: West 106 Mission, Spokane WA 99201**NATIONAL OBJECTIVE (MARK ONE)**☒ X LMI Area ☐ LMI Clientele☐ LMI Jobs ☐ Slum & Blight☐ Imminent Threat**PROJECT TYPE (MARK ONE)**☒ X Public Facility/ Housing ☐ Community Center☐ Economic Development ☐ Senior Center☐ Imminent Threat ☐ Other**PROJECT POPULATION TO BENEFIT (PERSONS): (Census/Survey/Clients/Jobs)****TOTAL # TO BENEFIT:** 230**TOTAL # LMI TO BENEFIT:** 129**% LMI TO BENEFIT:** 56.15%**% MINORITY POPULATION:** 7.2%**PROJECT DESCRIPTION:** Replacement of 5,600 feet of 8" sewer main and 20 manholes.

SOURCE	AMOUNT	DATE APPLICATION SUBMITTED	RESERVED/ CONDITIONAL AWARD	FUNDS COMMITTED/ CONTRACT AWARD DATE	DOCUMENTATION IN APPENDIX ***
ICDBG	\$400,000				
Local Cash	37,025			10-08	3
Local Loan*	600,000			9-29-08	3
Local In-Kind**					
USDA-RD Grant	200,000			11-08	3
EDA Grant					
State Grant					
Foundation Grant					
Private Investment					
Other (identify)					
TOTAL PROJECT FINANCING	\$1,237,025				

* Identify Loan Source(s) USDA-RD Date Bond or Necessary and Ordinary Passed 9/29/08

**Describe In-Kind match by type (i.e. materials, labor, waived fees, land value) and amount.

***Identify which appendix corresponding documentation is in. Documentation should be a letter from the appropriate source.

X. Idaho Community Development Block Grant Budget Form (Use only line items on pages V-7 & V-8)
Applicant or Grantee: LATAH COUNTY (ONAWAY) Project Name: SEWER SYSTEM CONSTRUCTION

LINE ITEMS	ICDBG Cash	City Cash	City In-Kind	USDA/ RD Grant	State*	Local* Bond	Private Cash	Private In- Kind	Total
Administrative**	\$ 40,000	\$ 15,025							\$55,025
Land, Structures, Rights of Way									
Engineering		20,000				\$ 210,000			230,000
Construction	360,000			\$200,000		370,000			930,000
Legal & Audit		2,000				5,000			7,000
Interest						15,000			15,000
TOTAL COSTS**	\$400,000	\$37,025		\$200,000		\$600,000			\$1,237,025

*Identify funding source

**Administrative expenses and project planning design costs, when totaled, shall not exceed 10% of the total ICDBG amount.

V. Economic Advisory Council Page: Summarize the project need, how the need will be addressed, total project cost, the local ability to finance the project, the local effort and commitment, and the local and regional economic impact.

The primary reasons last year's CDBG application by Onaway was denied was due to 1) a low % of ICDBG dollars, 2) a low % of Local Match dollars and 3) high ICDBG dollars per person. To improve this year's application the Association has reduced their ICDBG request from \$500,000 to \$400,000 and increased their USDA-RD loan amount from \$400,000 to \$600,000. Additionally, they were told to "reduce their CDBG request and provide more matching funds." This has been done; raising their local match percentage from 45% to 61%.

Critical health and safety concerns are the paramount reasons for funding this application. Onaway's sewer collection system was installed in 1971 and, while having been maintained, portions are currently in disrepair and have exceeded their useful life. During rainfall events the system is experiencing up to 1800% increases in flow. Part of a regional wastewater treatment system, Onaway's sewage is processed by the City of Potlatch and their Agreement requires Onaway to maintain its system in order to not negatively impact Potlatch's lagoon treatment plant. The project will replace 5,600 feet of 8" sewer main and 20 manholes in order to eliminate the inordinate inflow and infiltration, which currently negatively impacts the regional lagoon treatment facility.

Thomas J. Moore, P.E., Regional Engineering Manager for the Department of Environmental Quality in Lewiston said in his October 12, 2007, letter, "The Lewiston Regional Office is pleased to provide this letter of support for the Onaway Sewer Improvement Project. Onaway is in an unusual position; your agreement with Potlatch to provide wastewater treatment allows you to operate and maintain just a collection system. DEQ believes that a cooperative regional system is a cost effective and intelligent approach. Replacing [sewer mains] will result in lower hydraulic loads on the treatment lagoons, and will benefit both Onaway and Potlatch.

"We believe that you have property managed your sewer funds, and unlike many of our systems, have worked diligently to maintain a sinking fund to provide for repairs. However we also note that municipal construction project costs have increased tremendously in recent years. Communities such as yours are still facing funding shortages when faced with current construction costs. Some bid results show concrete cost has multiplied by as much as eight times. It our hope that a Block Grant will be awarded to you to assist in meeting these costs."

The Association serves 100 connections and will take out a \$600,000 USDA-Rural Development loan, to leverage \$200,000 in USDA-RD grant funds. On August 29, 2008, the City of Potlatch, informed Onaway they were raising their treatment fee from \$5.12 per connection per month to \$12.96. The loan and fee increase will raise the monthly sewer fee over \$40.00 per month (up to over \$54.00) including O & M and a reserve fund amount for future system improvements. With rates this high, a \$400,000 CDBG is critical to providing some relief to the LMI citizens of the community and in making this project a reality.

XI. Detailed Cost Analysis

1. Have preliminary plans and specs been submitted to regulatory agencies for review?

☒ Yes ☐ No

If yes, list date submitted: June 2007

If no, list expected date to be submitted: _____

2. Has final design (for bidding) begun? ☒ Yes ☐ No

If yes, % complete: 5 %

If no, what is expected start date: January 26, 2009

3. Will project include bid alternatives to meet project budget if necessary?

☒ Yes ☐ No

4. Are Davis Bacon wage rates applicable to the project? ☒ Yes ☐ No

If yes, are they included in the project costs? ☒ Yes ☐ No

5. Have known environmental measures been included in project costs? (ex: dust mitigation, archaeological survey, storm water drainage, wetland mitigation etc.)

☒ Yes ☐ No

6. What will expected construction contingency be at final design? 10 %

7. List the last date the owner and design professional discussed project design and details.

Date: January 26, 2009

8. Design Professional Cost Estimate may be found in Appendix A.

XII. Project Schedule

Project Activity	Date (to be) Completed	Documentation in Appendix
Grant Administrator Procured	March 2006	5
Design Professional	May 2006	5
Other Funding Secured	October 2007	3
Permits Identified & Secured	N/A	
Sub recipient Agreement Drafted	N/A	
Construction Documents Complete	April 2009	
Environmental Review Complete	April 2009	
Complete 504 Requirements	September 2009	
Complete Fair Housing Requirements	September 2009	
Bids Advertised	June 2009	
Start Construction	July 2009	
Second Public Hearing	October 2009	
Certificate of Substantial Completion	December 2009	
Closeout	December 2009	

- **Current Design Professional Cost Estimate**

Taylor Engineering has developed Davis-Bacon considered cost estimates for the project. Since the Application of November 2007, the cost estimates were reviewed in mid-February and no adjustments were found to be necessary. A copy of the engineer's cost estimate may be found in Appendix A.

- **Written Evidence of Community's Ability to Secure Local and Other Match**

In his letter of February 26, 2009, Jeff Beeman, Area Director of USDA-Rural Development stated, "We are currently processing an application for a RD loan of \$600,000 and a grant of \$200,000. We have determined the project to be a priority and intend to fund it this fiscal year. The Association is in dire need of the project to meet the requirements of their agreement with the City of Potlatch." A copy of this letter may be found in Appendix B.

- **Documentation of Clear Title and Value of Any Purchased Property**

No property has been or is anticipated to be purchased for this project.

- **Pro Forma or Underwriting Assessment by the Lending Agency on how Rates were Determined**

In his letter of February 26, 2009, Jeff Beeman, Area Director of USDA-Rural Development stated, “[The Association] has voted to borrow up to \$600,000 to finance the project. This will raise their user’s sewer rates from \$8.00 per month when we first started working with them in 2006, to \$51.00 [now over \$54.00] when the project is complete.” “Rural Development has evaluated the proposed rate structure. The proposed rate covers all projected expenses, a short-lived asset replacement fund and the debt service requirements.” A copy of this letter may be found in Appendix C. Also, the USDA-RD rate study and underwriting documentation may be found in Appendix D.

- **Resolutions**

Fair Housing

On February 19, 2002, Latah County adopted the required Fair Housing Resolution which prohibited discrimination in the sale, rental, leasing, financing or providing of brokerage services related to land or housing in the city. The resolution was last published in the local newspaper on February 23, 2009 and a copy of the Resolution and publication can be found in Appendix D.

Excessive Force Policy

On February 1, 1993, Latah County adopted the required Excessive Force Policy. A copy can be found in Appendix D.

Grievance Procedure

On August 2, 1993, Latah County adopted a Grievance Procedure to meet the requirements of the ADA. It was last published in the local newspaper on February 20, 2008. A copy of can be found in Appendix D.

Policy Regarding Non-discrimination on the Basis of Disability

On February 25, 2009, Latah County adopted a Policy Regarding Non-discrimination on the Basis of Disability. It was published in the local newspaper on February 23, 2009 and a copy of the Policy and publication can be found in Appendix D.

Anti-Displacement and Relocation Plan

On February 25, 2009, Latah County adopted the required Residential Anti-Displacement and Relocation Assistance Plan. A copy can be found in Appendix D.

Policy for the Provision of Effective Communication

On July 17, 2006, Latah County adopted a Policy for the Provision of Effective Communication. A copy is included in Appendix D.

- **Changes to Project Scope from Original Application**

There are no changes in the project's scope as delineated in the November 2008 Application.

- **Answer to Question in Cover Letter**

There was no question in the cover letter.

Note: Enclosed in Appendix E is the Administrative Plan for the Project.

APPENDIX

A. ENGINEER'S UPDATED COST ESTIMATE

B. USDA-RD COMMITMENT LETTER

C. USDA-RD RATE STUDY

D. RESOLUTIONS AND PUBLICATIONS

E. ADMINISTRATIVE PLAN

APPENDIX A

ENGINEER'S UPDATED COST ESTIMATE

APPENDIX B

USDA-RD COMMITMENT LETTER

APPENDIX C

USDA-RD RATE STUDY

APPENDIX D

RESOLUTIONS AND PUBLICATIONS

APPENDIX E

ADMINISTRATIVE PLAN

LATAH COUNTY

ICDBG 09-II-xx-PF

March 6, 2009

REPRESENTATIVES

COUNTY : Tom Stroschein, Chairman
Latah County
Box 8068
Moscow, ID 83843 (208) 883-2280

Susan Petersen, County Clerk
Clearwater County
Box 8068
Moscow, ID 83843 (208) 882-8580

DIST. : Marlinda Hendershott, Secretary
Onaway Water and Sewer Association
255 3rd Street
Onaway, ID 83855 (208) 875-0883

Administrator : Walter M. Steed
Walter M. Steed & Associates
1345 Ridgeview Drive
Moscow, ID 83843 (208) 883-0123

Engineer : Chris Mansfield, P.E.,
Taylor Engineers
West 106 Mission
Spokane, WA 99201 (509) 328-3371

ADMINISTRATIVE PLAN

A. Environmental Review:

- Admn.** 1. Establish an Environmental Review Record File.
- Admn.** 2. Complete an Environmental Assessment.
- Admn.** 3. Make Environmental finding.
- Asso.** 4. If appropriate, publish the Finding and Request for Funds (ROF).

- Asso.** 5. Submit ROF and Assessment to Department for review and approval.

B. Section 504:

- Asso.** 1. Adoption and Publication of 504 Policy on Non-Discrimination.

- Asso.** 2. Establish 504 Citizen Review Committee.

- Asso.** 3. Perform 504 Self Evaluation and Write Transition Plan.

C. Fair Housing:

- Asso./
Admn.** 1. Adopt Fair Housing Resolution and create Fair Housing Plan consisting of:

An analysis of impediments (AI) to fair housing choice;

Actions to overcome the effects of identified impediments;

Maintenance of records to support the grantees' certification to affirmatively further fair housing.

D. Construction Administration:

- Admn.** 1. Establish Labor Standards Compliance file and assign responsibility.

- Admn.** 2. Request current Davis-Bacon wage rates before advertising for bids.

- Admn.** 3. Submit bid documents to Department for review and approval.

- Admn.** 4. Update wage rates 10 days prior to bid opening.

- Admn.** 5. Check contractor eligibility with Department before awarding contract (Federal Debarred List).

- Admn.** 6. Document subcontractor eligibility and Davis-Bacon certifications.

- Admn.** 7. Submit draft contract documents to Department for review and approval.

- Admn./
Engineer/
Asso.** 8. Hold pre-construction conference with contractor especially to discuss labor standards requirements and other grant requirements. Submit signed minutes to the Department.

- Admn.** 9. Collect, review and verify all payrolls.
- Admn.** 10. Conduct worker interviews and verify against payrolls. (Complete at a minimum two interviews per contractor for every thirty days on a project.)
- Admn.** 11. Report all payroll discrepancies to the Department.
- Admn./
Asso.** 12. Advertise and conduct mid-construction public meeting.

E. Civil Rights Compliance:

- Asso.** 1. Establish a file containing the grantee's Affirmative Action Plan, Community Profile, grantee work force composition or other documents and statistics which demonstrate the grantee's efforts to benefit the local minority population as well as other nondiscriminatory policies and practices.
- Asso.** 2. File signed Section 3 Clause and other contractor Certifications.
- Asso.** 3. Comply with grantee Section 3 Plan and maintain documentation.
- Admn.** 4. Submit MBE/WBE Solicitation Summaries for all solicitations for services, supplies or construction bids..
- Asso.** 5. Implement, at a minimum, the required Fair Housing activities.
- Asso.** 6. Implement, at a minimum, Section 504 requirements; adopt and publish Section 504 Policy on Nondiscrimination; adopt grievance procedures if required; complete self evaluation; and complete transition plan if needed.

F. Accounting Requirements:

- Asso.** 1. Maintain a General Ledger for the ICDBG grant funds. It must show expenditures by budget categories and also by other funding sources.
- Asso.** 2. Maintain cash receipts and cash disbursements journals.
- Admn.** 3. Maintain source documentation and file documents by Department of Commerce Request for Funds form.
- Asso./ Admn.** 4. Accounting and Allowable Costs must be in accordance with OMB Circulars A-102 and A-87 plus Treasury Circular 1075.

G. Audits:

- Asso.** 1. Audit services shall be secured in according to OMB Circular A-102 Attachment O.
- Asso.** 2. Audit shall be conducted according to OMB Circular A-128 and the Single Audit Act of 1984.
- Asso.** 3. Audit shall be submitted to the Legislative Auditor's Office for review and approval within 30 days of the audit's completion.
- Asso.** 4. ICDBG audit costs shall be allocated by the percentage of ICDBG expenditures in each fiscal year audit.

H. Reporting:

- Admn.** 1. Submit progress reports to the Department with each drawdown, or as required by the Department.
- Admn.** 2. Report in writing to the Department any major compliance, performance problems, management problems, all construction commencement and completion, loan closings, defaults, etc.
- Admn.** 3. Submit all contract amendments, change orders, and plan amendments to the Department prior to executing them.